

**Subject** House Higher Education Budget

**Authors** Pelowski

**Analyst** Nathan Hopkins

**Date** April 10, 2023

## Overview

This is the House higher education budget bill. The bill has two articles. The first article contains appropriations for the coming biennium, fiscal years 2024 and 2025. The second article contains higher education policy provisions.

## Article 1: Appropriations

This article appropriates funds to the Minnesota Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MnState), the University of the Minnesota system (UMN), and the Mayo Clinic.

### Section Description – Article 1: Appropriations

#### 1 Higher education appropriations.

Specifies that appropriations contained in the bill are for fiscal years 2024 (FY24 or the first year of the biennium) and 2025 (FY25 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.

#### 2 Minnesota Office of Higher Education.

**Subd. 1. Total appropriation.** Appropriates \$347.03M in FY24 and \$322.383M in FY25 to OHE, as described below. This is an increase of \$124.021M as compared to the previous biennium.

**Subd. 2. State grants.** Appropriates \$234.744M in FY24 and \$224.167M in FY25 per year—with transfer authority between years if needed—for the state grant program under Minn. Stat. § 136A.121. This is \$38.837M above base for the biennium. Also specifies a base of \$262.866M for FY26 and later.

**Subd. 3. Child care grants.** Appropriates base-level funding of \$6.694M per year for child care grants under Minn. Stat. § 136A.125.

**Subd. 4. State work-study.** Appropriates base-level funding of \$14.502M per year for work-study grants under Minn. Stat. § 136A.233.

**Section Description – Article 1: Appropriations**

---

**Subd. 5. Interstate tuition reciprocity.** Appropriates base-level funding of \$8.5M per year—with transfer authority between years if needed—to pay obligations arising from tuition reciprocity agreements under Minn. Stat. § 136A.08.

**Subd. 6. Safety officer’s survivor grants.** Appropriates base-level funding of \$100K per year—with transfer authority between years if needed—to provide postsecondary education benefits to eligible dependent children and spouses of public safety officers killed in the line of duty pursuant to Minn. Stat. § 299A.45.

**Subd. 7. American Indian scholarships.** Appropriates base-level funding of \$3.5M per year for the American Indian scholarship program under Minn. Stat. §136A.126. Rider language for this appropriation requires that at least one person with demonstrated competence in American Indian culture and who lives in or near Bemidji be employed to assist students with the American Indian scholarship and other financial aid programs at Bemidji State University.

**Subd. 8. Tribal college grants.** Appropriates \$3.15M per year for Tribal college supplemental grant assistance under Minn. Stat. § 136A.1796. This is \$6M above base for the biennium. The increase in funding pays for a grant of \$3M to each Tribal college to support general operations and maintenance. Reports are also required on those grant funds.

**Subd. 9. Intervention for college attendance program (ICAP) grants.** Appropriates \$1.942M in FY24 and \$1.142M in FY25 for ICAP grants under Minn. Stat. § 136A.861. This is \$800K above base for the biennium. The above-base funding is isolated to FY24 and therefore does not create a new base for this item. The FY24 funding includes \$300K for competitive funding to postsecondary institutions to support students who were formerly incarcerated.

**Subd. 10. Student-parent information.** Appropriates base-level funding of \$122K per year to provide information on planning for postsecondary education to students and parents under Minn. Stat. § 136A.87.

**Subd. 11. Get Ready!** Appropriates base-level funding of \$180K per year to OHE’s Get Ready initiative, a college and career readiness program.

**Subd. 12. Minnesota Education Equity Partnership.** Appropriates base-level funding of \$45K per year for a pass-through grant to the Minnesota Education Equity Partnership, a nonprofit organization focused on education equity for student of color and American Indian students.

**Subd. 13. Midwest Higher Education Compact.** Appropriates base-level funding of \$115K per year to pay member-state fees for the Midwest Higher Education

**Section Description – Article 1: Appropriations**

---

Compact, an interstate compact established in Minnesota under Minn. Stat. §135A.20.

**Subd. 14. United Family Medicine residency program.** Appropriates base-level funding of \$501K per year for a pass-through grant to the United Family Medicine residency program to support up to 21 resident physicians in family practice. The program is intended to train doctors to practice family medicine in underserved urban and rural areas of the state.

**Subd. 15. MnLINK gateway and Minitex.** Appropriates \$6.555M in FY24 and \$6.605M in FY25 for a pass-through grant for Minitex and MnLINK, a library network that facilitates resource sharing. This is \$1.35M above base for the biennium. This increased funding is for expanding access to databases that support nursing programs. Specifies a base of \$6.655M in FY26 and \$6.708M in FY27.

**Subd. 16. Statewide Longitudinal Education Data System (SLEDs).** Appropriates \$2.55M per year for SLEDs, an interagency database project that matches student data from pre-kindergarten through completion of postsecondary education and into the workforce. This is \$1.536M above base for the biennium. The increased funding will be used to maintain and improve the system.

**Subd. 17. Hennepin Healthcare.** Appropriates base-level funding of \$645K per year for a pass-through grant to Hennepin Healthcare for graduate family medical education programs.

**Subd. 18. College Possible.** Appropriates base-level funding of \$550K per year for a pass-through grant to College Possible. College Possible is a nonprofit organization that supports programs encouraging low-income students to attend and graduate from college. The appropriation must be allocated proportionally to students from greater Minnesota and the seven-county metropolitan area, and must only be used for supporting students who plan to attend colleges and universities in Minnesota. A report is required.

**Subd. 19. Spinal cord injury and traumatic brain injury research grant program.** Appropriates base-level funding of \$3 million per year for grants to support research on spinal cord and traumatic brain injuries under Minn. Stat. § 136A.901.

**Subd. 20. Summer academic enrichment program.** Appropriates base-level funding of \$250K per year for summer academic enrichment grants under Minn. Stat. § 136A.091.

**Section Description – Article 1: Appropriations**

---

**Subd. 21. Dual training competency grants; OHE.** Appropriates \$6.632M in FY24 and \$2.632M in FY25 for dual training grants under Minn. Stat. § 136A.246. This is \$5.264M above base for the biennium. The increase in funding will support the expanded occupation fields for the program under article 2, section 24, of the bill. Of the amount appropriated, \$132K per year is for transfer to the Department of Labor and Industry to support its role in program administration.

**Subd. 22. Campus sexual assault reporting.** Appropriates base-level funding of \$25K per year to support data collection and reporting on sexual assault under Minn. Stat. § 135A.15, subdivision 6.

**Subd. 23. Campus sexual violence prevention and response coordinator.** Appropriates base-level funding of \$150K per year to fund a staff position, trainings, and instructional materials. These resources are intended to provide guidance to postsecondary institutions on the best practices for preventing and responding to campus sexual assault.

**Subd. 24. Emergency assistance for postsecondary students.** Appropriates \$3.173M per year for matching grants to Minnesota postsecondary institutions with a demonstrable homeless student population. This is \$5.708M above base for the biennium. This increase will expand the program and compensate for the loss of federal COVID-19 pandemic funding that was used for this purpose. The grants must be used to assist students facing an emergency that would prevent them from completing their term or program. Assistance may include emergency housing, food, and transportation. Specifies a base of \$2.926M in FY26 and later.

**Subd. 25. Grants to student teachers in shortage areas.** Appropriates \$4M per year for grants to low-income teacher candidates who intend to teach in a license shortage area or rural school district after graduation under Minn. Stat. § 136A.1275. This is \$7M above base for the biennium. This increase will allow the program to provide grants to more eligible students.

**Subd. 26. Grants to underrepresented student teachers.** Appropriates \$2.625M per year for grants to student teachers from underrepresented racial or ethnic groups under Minn. Stat. § 136A.1274. This is \$3M above base for the biennium. This increase will allow the program to provide grants to more eligible students.

**Subd. 27. Teacher shortage loan repayment.** Appropriates \$3.2M per year for teacher shortage loan repayment program under Minn. Stat. § 136A.1791. This is \$6M above base for the biennium. This increase will allow the program to provide grants to more eligible students.

**Section Description – Article 1: Appropriations**

---

**Subd. 28. Large animal veterinarian loan forgiveness program.** Appropriates base-level funding of \$375K per year for loan forgiveness for large animal veterinarians in rural areas under Minn. Stat. § 136A.1795.

**Subd. 29. Agricultural educators loan forgiveness program.** Appropriates base-level funding of \$50K per year for loan forgiveness for agricultural education teachers under Minn. Stat. § 136A.1794.

**Subd. 30. Aviation degree loan forgiveness program.** Appropriates base-level funding of \$25K per year for loan forgiveness for eligible pilots and aircraft technicians under Minn. Stat. § 136A.1789.

**Subd. 31. Grants for students with intellectual and developmental disabilities.** Appropriates base-level funding of \$200K per year for grants under Minn. Stat. § 136A.1215 to students with intellectual disabilities who are enrolled in a comprehensive transition and postsecondary program as defined in Code of Federal Regulations, title 34, section 668.231.

**Subd. 32. Loan repayment assistance program.** Appropriates base-level funding of \$25K per year for grant to the Loan Repayment Assistance Program (LRAP) of Minnesota. The LRAP of Minnesota is a nonprofit organization that works to reduce the education debt burden of public interest lawyers who represent low-income clients. The grant must be used to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for similar work.

**Subd. 33. Minnesota Independence College and Community.** Appropriates base-level funding of \$1M per year to provide a grant to Minnesota Independence College and Community (MICC) for need-based scholarships and tuition reduction for resident students. MICC offers programming for individuals with autism spectrum disorder and learning disabilities.

**Subd. 34. Student loan debt counseling.** Appropriates base-level funding of \$200K per year for the student loan debt counseling under Minn. Stat. § 136A.123.

**Subd. 35. Hunger-free campus grants.** Appropriates base-level funding of \$102K per year for partial-matching grants to public postsecondary institutions and Tribal colleges to attain the hunger-free campus designation under Minn. Stat. § 135A.137.

**Subd. 36. Fostering independence higher education grants.** Appropriates \$4.311M per year for a last-dollar grant program for students who are currently or were formerly in foster care under Minn. Stat. § 136A.1241. This is \$1.1M

**Section Description – Article 1: Appropriations**

---

above base for the biennium. This increase will allow the program to provide grants to more eligible students. Specifies a base of \$4.411M in FY26 and later.

**Subd. 37. Concurrent enrollment grants.** Appropriates base-level funding of \$340K per year for competitive grants to postsecondary institutions to expand concurrent enrollment opportunities under Minn. Stat. § 136A.91.

**Subd. 38. Student parent support initiative.** Appropriates \$4.425M in FY24 and \$4M in FY25 in new funding for grants to postsecondary institutions and partnering entities to assist students who are expectant parents and parents of young children. The new student-parent support initiative program is established in article 2, section 11, of the bill. Specifies a base of \$3.5M in FY26 and later.

**Subd. 39. Director of Tribal relations, public engagement, and equal opportunity.** Appropriates \$134K in FY24 and \$143K in FY25 in new funding for a director of Tribal relations position within OHE. This person will help fulfill OHE's obligations to consult with Tribal Nations. See Minn. Stat. §§ 10.65, subd. 3; 136A.032.

**Subd. 40. Direct admissions program.** Appropriates \$500K per year for a direct admissions program under Minn. Stat. § 136A.84. This is \$850K above base for the biennium. This increased funding is for establishing the previously funded direct admission pilot program as a permanent program under article 2, section 19 of the bill.

**Subd. 41. American Indian scholars.** Appropriates \$8.5M per year in new funding to provide full tuition and fee waivers for certain American Indian students at Minnesota public postsecondary institutions under Minn. Stat. § 135A.121. This new program is established under article 2, section 1, of the bill. The appropriated amounts are divided between the MnState and UMN systems.

**Subd. 42. Next generation nursing initiative.** Appropriates \$1.5M per year in new funding for transfer to MnState to administer the Next Generation Nursing Assistant Training Program. This program was launched in December 2021 and was originally supported by federal COVID-19 pandemic relief funding.

**Subd. 43. Child development associate pathway.** Appropriates \$475K in FY24 in new onetime funding for transfer to MnState to help child development associate credential holders earn academic credit towards a related certificate, diploma, or degree.

**Subd. 44. Higher education public service feasibility study.** Appropriates \$75K in FY24 in new onetime funding to conduct a feasibility study on a state service initiative. A report to the legislature is required.

**Section Description – Article 1: Appropriations**

---

**Subd. 45. Inclusive higher education.** Appropriates \$1M per year in new funding for the new inclusive higher education programming in article 2, sections 2 and 3, of the bill. Of the amount appropriated, \$250K per year is for the Technical Assistance Center, and \$750K per year is for transfer to a special revenue fund account for distribution as grants.

**Subd. 46. Paramedic scholarship program.** Appropriates \$3.2M in FY24 in new onetime funding for the paramedic scholarship program under article 2, section 26, of the bill. Specifies how the appropriated funds may be used. These funds are available until June 30, 2026.

**Subd. 47. Addiction medicine graduate medical fellowship.** Appropriates \$270K per year, with transfer authority between years if necessary, for a grant to Hennepin County Medical Center to support up to six addiction medicine fellows.

**Subd. 48. Allied health technician scholarship.** Appropriates \$5.380M in FY24 in new onetime funding for the allied health technician scholarship program under article 2, section 27, of the bill. Specifies how the appropriated funds may be used. These funds are available until June 30, 2026.

**Subd. 49. Unemployment insurance aid.** Appropriates \$495K per year in new funding for unemployment insurance aid to Tribal colleges under Minn. Stat. § 268.193.

**Subd. 50. Foster care grant.** Appropriates \$500K each year in new onetime funding for a grant to a nonprofit organization to provide education support services to students who were in foster care.

**Subd. 51. Agency administration.** Appropriates \$6.498M in FY24 and \$6.724M in FY25 for OHE agency administration. This is \$4.214M above base for the biennium. The increased funding will be used to pay for cost increases related to delivery of current services. Specifies a base of \$6.096M in FY26 and later.

**Subd. 52. Balances forward.** For all appropriations in this section, allows any positive balance in the first year to carry forward to the second year.

**Subd. 53. Transfers.** Permits transfer of funds between certain programs, with prior notice to the legislature.

**3 Board of Trustees of the Minnesota State Colleges and Universities.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the MnState system: \$967.781M in FY24, and \$942.792M in FY25. This is an increase of \$331.351M as compared to the previous biennium.

**Section Description – Article 1: Appropriations**

---

**Subd. 2. Central office and shared services unit.** Appropriates base-level funding of \$34.401M per year for the system's central office.

**Subd. 3. Operations and maintenance.** Appropriates \$929.265M in FY24 and \$904.276M in FY25 for general operations and maintenance. This is \$331.351M above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) Dedicates \$25M in FY24 and \$50M in FY25 of new funding to student tuition relief. Requires a tuition freeze for undergraduate degree-granting programs over the 23-24 and 24-25 academic years.
- b) Dedicates \$50M in FY24 of new funding to onetime campus support.
- c) This amount must be allocated to campuses based on estimated tuition revenue loss due to enrollment declines.
- d) Dedicates a base-level amount of \$5.7M per year to provide supplemental aid to state colleges with campuses outside of a metropolitan county.
- e) Requests MnState to help improve retention and completion for students of color.
- f) Dedicates \$10.75M per year to workforce development scholarships under Minn. Stat. § 136F.38. This is \$12.5M above base for the biennium. Requires the new additional amount in FY25 to be matched from nonstate sources. Specifies a base of \$4.5M per year in FY26 and later.
- g) Dedicates a base-level amount of \$300K per year for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support to remote regions in northeast Minnesota.
- h) Dedicates a base-level amount of \$40K per year for implementing the sexual assault policies required under Minn. Stat. § 135A.15.
- i) Dedicates \$9.5M per year for systemwide technology, including upgrading the Integrated Statewide Record System. This is \$3M above base for the biennium. The increased funding support expanded uses of funds under this rider. Specifies a base of \$9.1M in FY26 and later.



**Section Description – Article 1: Appropriations**

---

- j) Dedicates \$1.5M per year for open educational resources, including under the Z-Degree textbook program under Minn. Stat. § 136F.305. This is \$2M above base for the biennium. Specifies a base of \$50K per year in FY6 and later.
- k) Dedicates \$13M per year in new funding for student support, which may be spent for the specified purposes. Specifies a base of \$2M in FY26 and later.
- l) Dedicates \$12.5M per year in new onetime funding for upgrades to equipment and learning environments. Requires the FY25 appropriation to be matched from nonstate sources.
- m) Dedicates \$6.255M per year in new onetime funding for expansion of industry sector programming and work-based learning experiences. Requires the FY25 appropriation to be matched from nonstate sources.
- n) Dedicates \$861K in FY24 and \$872K in FY25 in new funding to increased employer contribution rates for retirement accounts, affected by article 2, section 25, of the bill. Specifies a base of \$883K in FY26 and \$894K in FY27.
- o) Dedicates \$809K per year in new funding for unemployment insurance aid under Minn. Stat. § 268.193.
- p) Specifies an operations and maintenance base of \$852.787M for FY26 and \$852.798M in FY27.

**Subd. 4. Learning network of Minnesota.** Appropriates base-level funding of \$4.115M per year for the Learning Network of Minnesota, a statewide telecommunications and technology network.

**4 Board of Regents of the University of Minnesota.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the university system: \$788.279M per year. This is \$193.732M above base for the biennium. This subdivision also breaks down the amounts appropriated from the general fund and the health care access fund.

**Subd. 2. Operations and maintenance.** Appropriates \$717.684M per year for operations and maintenance. This is \$193.732M above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

**Section Description – Article 1: Appropriations**

---

- a) Dedicates a base-level amount of \$15M per year to the medical school to increase research, improve the school’s ranking, attract and retain staff and students, invest in physician training programs in rural and underserved areas, and to translate research discoveries into treatments and cures.
- b) Dedicates a base-level amount of \$7.8M per year to health training restoration to support faculty physicians, the mobile dental clinic, and expansion of geriatric and family programs.
- c) Dedicates a base-level amount of \$4M per year for MnDrive to advance research for cancer care research.
- d) Dedicates a base-level amount of \$500K per year to the Morris branch to cover the costs of tuition waivers for Native American students under Minn. Stat. § 137.16.
- e) Dedicates \$5M per year in new funding to systemwide safety and security. Specifies a base of \$2M in FY26 and later.
- f) Dedicates \$366K per year for unemployment insurance aid under Minn. Stat. § 268.193.
- g) Specifies an operations and maintenance base of \$695.684M for FY26 and later.

**Subd. 3. Primary care education initiatives.** Appropriates base-level funding of \$2.157M per year from the health care access fund for training primary care physicians.

**Subd. 4. Special appropriations.** This subdivision includes various “special appropriations” dedicated to specific purposes.

- a) **Agricultural and extension service:** Appropriates base-level funding of \$42.922M per year for a number of specified purposes described in the bill, with a required report to the legislature on the status and outcomes of research funded by this appropriation.
- b) **Health sciences:** Appropriates base-level funding of \$9.204M per year. Of this appropriation, \$346K per year is to support up to 12 resident physicians at the St. Cloud Hospital family practice residency program. The remainder of the appropriation is for the rural physician associates program, the Veterinary Diagnostic Laboratory, health

**Section Description – Article 1: Appropriations**

---

sciences research, dental care, and the Biomedical Engineering Center.

- c) **College of Science and Engineering:** Appropriates base-level funding of \$1.14M per year for the geological survey and the talented youth mathematics program.
- d) **System special:** Appropriates base-level funding of \$7.181M per year for general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit. Of this amount, \$2M per year is for the Natural Resources Research Institute to invest in applied research for economic development.
- e) **University of Minnesota and Mayo Foundation Partnership:** Appropriates base-level funding of \$7.991M per year. Of this amount, \$7.491M per year is for direct and indirect expenses associated with the collaborative research partnership between the University and the Mayo Foundation on biotechnology and medical genomics. \$500K per year is to award competitive grants to conduct research in the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

**Subd. 5. Academic Health Center.** The Academic Health Center is estimated to receive funding of \$22.25M each year from the dedication of a portion of cigarette taxes under Minn. Stat. § 297F.10.

**5 Mayo Clinic.**

**Subd. 1. Total appropriation.** Specifies the total appropriation for the Mayo Clinic: \$1.799M per year. This is \$896K above base for the biennium.

**Subd. 2. Medical school.** Appropriates base-level funding of \$665K per year, to pay a capitation each year for students who are residents of Minnesota. The appropriation is intended to increase the number of doctors practicing in rural areas.

**Subd. 3. Family practice and graduate residency program.** Appropriates \$1.134M per year to pay stipend support for up to 42 residents each year. This is \$896K above base for the biennium. The increase supports the Mankato residency program recently acquired from UMN and increases funding for the preexisting Rochester program.

---

<b>Section</b>	<b>Description – Article 1: Appropriations</b>
----------------	--

---

<b>6</b>	<b>Financial review of nonprofit grant recipients required.</b>
----------	---

Requires any entity that awards a grant to a nonprofit organization pursuant to this bill to first assess the nonprofit's financial standing and management. Authorizes grantors with significant concerns to postpone or forgo the grant altogether or award the grant subject to additional technical assistance and requirements imposed by the grantor to protect the state's interests.

Specifies information that grantors must require each nonprofit applicant to provide, including the nonprofit's latest annual return filed with the Internal Revenue Service, where applicable, and evidence of registration and good standing with the Office of the Secretary of State and the Office of the Attorney General. Requires nonprofits with more than \$750K in annual revenue to submit audited financial statements. Requires grantors to document and retain specified information, including whether and how the applicant resolved the grantor's initial concerns regarding the nonprofit's financial standing and management.

## Article 2: Higher Education Provisions

This article contains higher education policy provisions, including new programs and changes to existing programs.

---

<b>Section</b>	<b>Description – Article 2: Higher Education Provisions</b>
----------------	---

---

<b>1</b>	<b>American Indian scholars.</b>
----------	----------------------------------

Establishes a new statutory program to provide tuition- and fee-free undergraduate education to American Indian students at public postsecondary institutions.

**Subd. 1. Establishment.** Establishes the program.

**Subd. 2. Eligibility.** Limits the program to undergraduate education (certificate, degree, or diploma programs) at public postsecondary institutions. Limits eligibility to students who have not already obtained a baccalaureate degree or taken more than 180 credits (twelve semesters of a 15-credit full time load). To qualify a student may either be a Minnesota resident of any federally recognized Tribe, or a resident of any state if a member of a Minnesota Tribal Nation.

**Subd. 3. Administration.** Requires MnState and requests UMN to offer the tuition waivers and use funds for the program to offset the costs. Also allows appropriated funds to be used for student supports and program administration.

---

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 4. Reports.** Requires MnState and UMN to report to OHE annually about the program, and requires OHE to post certain reported data for the public on its website.

**2 Inclusive Higher Education Technical Assistance Center.**

**Subd. 1. Definitions.** Defines terms for this section and for section 2 of the bill.

**Subd. 2. Establishment.** Requires OHE, in conjunction with the Institute on Community Integration at the University of Minnesota, to establish an Inclusive Higher Education Technical Assistance Center to increase higher education access for students with intellectual disabilities. Lays out requirements for the center.

**Subd. 3. Director; advisory committee.** Requires the naming of a director and the appointment of an advisory committee.

**Subd. 4. Responsibilities.** Sets forth the duties of the center, which include: (a) advising higher education institutions on various standards and requirements; (b) monitoring relevant changes in federal and state law; (c) providing technical assistance to higher education institutions; and (d) distributing information to students with intellectual disabilities and their parents.

**3 Inclusive higher education grants.**

**Subd. 1. Establishment.** Requires OHE, in collaboration with the center established in section 1, to create a competitive grant program for Minnesota postsecondary institutions to create new or expand existing programs for students with intellectual disabilities.

**Subd. 2. Eligible grantees.** Allows public two-year and four-year institutions to receive grants under this section.

**Subd. 3. Application.** Provides that grant applicants must develop a written plan meeting the enumerated requirements.

**Subd. 4. Grant account.** Creates an account in the special revenue fund for depositing money appropriated for the grant program.

**Subd. 5. Grant awards.** Sets maximum grant awards amounts, puts additional requirements on grant recipients, and requires a 25 percent match of the grant funds.

**Subd. 6. Grantee reporting.** Requires grant recipients to report to the center on the funded initiatives.

**Section Description – Article 2: Higher Education Provisions**

---

**Subd. 7. Reporting.** Requires the center to submit an annual legislative report on the grant program.

**4 State grant program: assigned family responsibility.**

Amends the definition of “assigned family responsibility” (AFR) for the state grant program to conform to changes in federal student aid calculations. Allows OHE to adjust AFR to reflect part-time enrollment.

**5 State financial aid programs: student.**

Amends the definition of “student” for purposes of state financial aid programs to include any enrollment of one credit per term or more.

**6 State grant program: cost of attendance.**

Increase the living and miscellaneous expense allowance from 109 percent to 115 percent of the federal poverty guidelines for a one-person household in Minnesota for nine months. This increases the recognized cost of attendance used to calculate state grant awards, which has the effect of raising awards. Also makes a clarifying change regarding proration of awards for less than full time enrollment.

**7 State grant program: awards.**

Amends the cap on state grant awards from eight full time semesters to 180 total credits (i.e. twelve full-time semesters under the state grant program’s 15-credits per term definition of full-time enrollment).

**8 State grant program: deadline.**

Extends the deadline for state grant applications.

**9 Fostering independence grants: grant amount; payment; opt-out.**

Makes technical adjustments to conform to changes in federal student aid calculations.

**10 Child care grants: amount and length of grants.**

Makes technical adjustments to conform to changes in federal student aid calculations.

**11 Student-parent support initiative.**

Established a new statutory program to provide grants to postsecondary institutions and other applicants to support expectant parents and parents of young children.

**Subd. 1. Grants.** Establishes the program within OHE. Specifies that grants may be awarded to postsecondary institutions and other applicants for services

**Section Description – Article 2: Higher Education Provisions**

---

supporting student parents. Allows a postsecondary institution to act as a fiscal agent for another entity.

**Subd. 2. Application process.** Requires OHE to develop an application process. Encourages distribution of funds throughout the state.

**Subd. 3. Health-related supports.** Requires the Department of Health to work with OHE on health-related supports.

**Subd. 4. Report and evaluation.** Requires an annual report to the legislature on the program.

**12 Indian scholarships: award amount.**

Makes technical adjustments to conform to changes in federal student aid calculations.

**13 Financial aid administrator, professional judgment.**

Makes technical adjustments to conform to changes in federal student aid calculations.

**14 Teacher shortage loan repayment: eligibility.**

Prioritizes applicants eligible based on race/ethnicity. Allows other eligibility categories (i.e., rural school district, license shortage area) to receive any remaining funds.

**15 Dual training competency grants: application.**

Adds to the cost of training “recommended” books and materials, in addition to required books and materials.

**16 Dual training competency grants: grant criteria.**

Adds to the criteria for evaluating grant applications the employer’s ability to recruit and retain employees of color, American Indian employees, and employees with disabilities.

**17 Dual training competency grants: employer match.**

Clarifies that a large employer must pay at least 25 percent of the cost of employee training.

**18 Dual training competency grants: grant amounts.**

Allows employers to use up to ten percent of the grant to pay for employees’ training supports. Clarifies the per employee maximum grant amount.

**Section Description – Article 2: Higher Education Provisions**

---

**19 Direct admissions program.**

Establishes in statute program to provide qualifying Minnesota high school seniors automatic conditional admission to public colleges and universities. This was previously a pilot program. *See* 2021 Laws, 1Spec. Sess. ch. 2, art. 2, § 42.

**Subd. 1. Authorization.** Establishes the program in OHE, to be administered in consultation with other relevant stakeholders.

**Subd. 2. Implementation.** Requires the program to use existing information systems to automate the direct admissions process. Sets a goal of statewide representation and allows prioritization of high schools with high numbers of low-income students and students of color.

**Subd. 3. Report.** Requires an annual report to the legislature on the program.

**20 MnState Board of Trustees: responsibility.**

In the statute regarding selection of a student board member, makes a technical change to eliminate a reference to the Trustee Candidate Advisory Council, which is repealed in section 30 of the bill.

**21 Workforce development scholarships: program eligibility.**

Adds construction, education, and public safety to the program areas eligible for a workforce development scholarship. Expands the scholarship program to include students enrolled in their first and second years at state universities. Expands the scholarship program to include students enrolled in certificate programs, who may receive awards up to \$1,500.

**22 Workforce development scholarships: renewal; cap.**

Increases the total lifetime award cap on scholarships from \$7,500 to \$12,000 per student.

**23 Workforce development scholarships: administration.**

Allows up to 1.5 percent of program funds to be used for administering the program.

**24 Dual Training Competency Grants: duties; goal.**

Adds transportation and child care to the list of occupations eligible for grants.

**25 Pensions: employer contribution rate.**

Increases the employer contribution rate for the individual retirement account plan (IRAP) to 8.75 percent so that it equals the employer contribution rate for the teachers retirement association (TRA) plan .



---

**Section Description – Article 2: Higher Education Provisions**

---

**26 Postsecondary unemployment insurance aid.**

Provides for state aid to support unemployment insurance payments by UMN, MnState, and Tribal colleges. The aid must be appropriated by the legislature, but target amounts are set by this section at the difference between each entity's unemployment insurance costs in 2022 and those costs for the current year. This is intended to compensate for the expanded eligibility of certain higher education employees for unemployment benefits between school terms, a provision which is being carried in the house's omnibus education finance bill (H.F. 2497).

**27 Paramedic scholarship program.**

**Subd. 1. Establishment.** Establishes the program within the Office of Higher Education. Sets a goal of providing up to 600 scholarships by 2026.

**Subd. 2. Eligible students.** Sets eligibility criteria for the scholarship, which includes Minnesota residency and intent to work as a paramedic in Minnesota after graduation. Allows a student to receive a scholarship under this section no more than twice.

**Subd. 3. Administration; award amount.** Instructs the Office of Higher Education to establish guidelines for the program and award the first set of scholarships in the 2024-2025 academic year. The scholarship is a flat amount of \$5,000.

**Subd. 4. Reporting.** Requires two legislative reports on the program.

**Subd. 5. Expiration.** Expires the program on June 30, 2026.

**28 Allied health technician scholarship program.**

**Subd. 1. Establishment.** Establishes the program in OHE and sets out its purpose.

**Subd. 2. Eligible student.** Lays out student eligibility criteria. The scholarships are for resident students newly entering the specified health technician programs and may be received only once per student.

**Subd. 3. Administration; award amount.** Requires OHE to create an application process. Award amounts are \$5,000 single-payment awards.

**Subd. 4. Reporting.** Requires two annual reports to the legislature on the program.

**Subd. 5. Expiration.** Provides that the program expires June 30, 2026.

**Section Description – Article 2: Higher Education Provisions**

---

**29 Unemployment insurance aid reports.**

Requires annual reports to the legislature on unemployment insurance aid under Minn. Stat. § 268.193.

**30 Higher education bonding policy.**

States an intention of the legislature not to require public postsecondary systems to pay for portions of their bonding projects.

**31 Repealer.**

Repeals the MnState Trustee Candidate Advisory Council, which is tasked with making nonbinding recommendations to the governor for appointments to the MnState Board of Trustees. This board has not been active since 2012.

Repeals a subdivision in the workforce development scholarship statute that sets award amounts. This would now be controlled under the new language in section 21 of the bill.



*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn/hrd](http://www.house.mn/hrd) | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155